

ROBERT JOHN PFEIFFER

THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

INTERVIEW WITH ROBERT JOHN PFEIFFER

At his Alexander & Baldwin, Inc., office in Honolulu, Hawaii

June 4, 1986

P: Robert J. Pfeiffer

S: Alice Sinesky, Interviewer

S: I was quite interested in your background with the sea captains and all.

P: Perhaps I will tell you more than you want. I was born on March 7, 1920, in Suva, Fiji. My father was William Albert Pfeiffer, who was born in Levuka, Fiji, in April of 1885. My paternal grandfather, a master mariner, was Captain Detlef Gottlieb Carl Adolph Pfeiffer, born in Hamburg on June 16, 1838, settled in Fiji in the early 1870's, and died in Fiji on December 11, 1914.

My paternal grandmother was Mary Covert. She was born in 1855 on Strong's Island, which is also known as Kosrae, in the Caroline Islands, and was the daughter of a Cape Cod whaler. She died in Fiji on April 30, 1939.

My mother was Nina McDonald. She was born in Nelson, New Zealand, on November 14, 1895 and died in Honolulu on June 23, 1983. My maternal grandmother was Flora Edwards born in Nelson, New Zealand, on January 13, 1873, and died in Honolulu in 1952.

My maternal great grandfather was Edwin Alvin Edwards born March 9, 1831 in Trichinopoly, India, and died in Nelson, New Zealand, on October 17, 1889. He married my maternal great grandmother, Catherine Miller, on November 15, 1850. She was born in Paisley, Scotland, on March 16, 1830. The Edwards arrived in Nelson, on November 1, 1860. Mrs. Edwards died in Nelson on February 11, 1892.

S: That's quite an international background, isn't it?

P: Nina McDonald and William Albert Pfeiffer were married in Vunilagi, Fiji, on April 22, 1913.

My grandfather owned his own schooner and left Hamburg to trade in the South Pacific. With this schooner traded in the South Pacific, and married Mary Covert. When she became pregnant with their first child, they put ashore at Fiji. They were among the first white residents of Fiji. Fiji in those days, as you may know, had many cannibals, but fortunately the Pfeiffers survived; otherwise I would not be here.

My father, his brother and his sisters were born in Fiji, as were my brother, my two sisters and I. So we were the second generation born in Fiji. My father was a sea captain and also was the general manager of several of the larger plantations in Fiji, which planted copra, sugar and bananas.

I was adopted by my grandparents when I was three weeks old--my maternal grandmother, Flora Edwards McDonald, and my paternal uncle, Henry Francis Pfeiffer, the eldest son of the Pfeiffer family. Flora and "Franz" had married. When Nina McDonald became of age she married Albert, the younger brother of the Pfeiffer family, making her mother her sister-in-law also. That was a confusing situation for us children, because my blood grandmother was also my aunt by marriage, and my mother by adoption. You can recognize many other situations...my blood father was my brother-in-law by adoption. I remember I called my blood grandmother "Mother" because she had adopted me. My siblings called her "Auntie," and my blood mother, whom I considered a sister, called her "Mother." Anyone sitting in that household was totally confused. They would be introduced to Henry Francis Pfeiffer as "Grandfather," "Uncle," and in my case, "Father." We "lost" most people after the first two or three introductions.

My mother--and I will use bloodlines here--divorced my father in Fiji. My grandmother was in communication with a sister, Agnes Davies, who was married to a Judge Davies in Hilo. They suggested that we move from Fiji to Hawaii because Hawaii had sugar plantations too.

We arrived in Honolulu on the Makura on September 21, 1921, and transferred from that large trans-Pacific liner to the small vessel of Inter-Island Steam Navigation Co., Ltd., the Mauna Kea, and sailed for Hilo. My grandmother said that as the Mauna Kea sailed by the Makura with its British ensign flying she wept naturally, because they were British subjects.

In Hilo on the first day my step-grandfather was walking up one of the main streets and still thinking of being a plantation manager. He saw this German firm called Hoffschlaeger's and dropped in to say hello. In a few minutes Hoffschlaeger's decided that "Franz" would make a

good store manager. So he became the manager of Hoffschlaeger's in Hilo instead of working on a plantation.

We first settled in a little town called Waiohinu in Kau, and later moved into Hilo. When we lived in Waiohinu, my mother was a nurse at the Kauhane Memorial Hospital. We then lived at Puueo and later Reed's Bay. I, of course, was living with my grandmother and grandfather who were, as far as I was concerned, my parents. My siblings were living with our mother who had remarried, a man named Arthur Chambers Wheeler, a contractor in Hilo.

My grandparents and I moved to Honolulu in May of 1929. My father began working for Inter-Island Steam Navigation Company, Ltd. My adopted father, "Franz," was a brilliant man, with one serious fault--he would not touch a drink for seven years but then he would have one drink and go off the wagon. He then was an alcoholic for about two years. During the two-year period he wasn't worth anything to anyone. So after the seven-year period in Hilo he fell into this two-year period and lost his job with Hoffschlaeger's.

So we moved to Honolulu, and he went to work for Inter-Island Steam at sixty dollars a month. The three of us lived at the Leonard Hotel, which was at Fort and Beretania Streets. As I said, he made sixty dollars a month; the rent was forty-five, and out of the remaining fifteen my mother fed and clothed us and paid off the debts that my father had left in Hilo. How she did it, I do not know!

I was the mascot of the Central Fire Station when W. W. Blaisdell was the fire chief and Harold Smith was the first assistant. A fellow named [E. P.] Boyle was the second assistant chief. No matter what hour of the day or night, when I heard the fire bells go, I would race down and climb into one of the chief's cars and go to the fire. If it was at night, upon our return to the station some poor fireman had to carry me up--I had fallen asleep by then--three flights of stairs to the Leonard Hotel. I developed an overpowering feeling of respect for the firemen through that association. They were kind to me.

I will hereafter refer to Henry Francis as "Skipper," as I addressed him. Skipper meanwhile, was in his seven-year cycle and he immediately, afloat and ashore, escalated in position and income, and we were doing better financially. I went to Lincoln School, next to Thomas Square for my fifth and sixth grades. Roosevelt High School started in 1931, using the old Normal School facility at Lusitana Street, and ran from the seventh to twelfth grades. I attended seventh and eighth grades at the old school. The new school was built on Mott-Smith Drive, and I attended the ninth grade there.

My ambition at that time was to go to West Point. Roosevelt did not have an ROTC unit; McKinley did. So I transferred to McKinley (without my parents knowing). After I had been at McKinley about three weeks I came home in an ROTC uniform. From this point forward I will refer to my blood grandmother as "mother," and her husband as my father or "Skipper." My mother asked, "What is that?" I said, "It's an ROTC uniform." She asked, "What is the 'M' on your shoulder?" I said, "That's for McKinley." She did not think too much of that!

Roosevelt was an English standard school; McKinley was not. We only had a few high schools in those days. Punahou, Kamehameha and St. Louis were the private schools. McKinley, Roosevelt and Leilehua were the public schools. McKinley had a four-thousand student body. There were twelve hundred in my graduating class; predominantly Japanese and, like me, most came from families of little means. I did become the cadet colonel of the brigade. It was the largest ROTC unit in the United States.

In my senior year I received an appointment to West Point and was keenly looking forward to that, when in March my father started his next two-year cycle and lost his job. I alone decided to give up the West Point appointment, and on the day following my high school graduation I went to sea. I thought my parents would need me to support them. Of course, my father came out of it again, and as it turned out my action was not necessary, but I do not regret it at all.

S: Where did you live during your high school days?

P: We first lived at the Leonard Hotel, then moved to Kapiolani and Hotel Streets where the Straub Clinic now is. We had an apartment in a big house that was owned by someone else. My father was then at sea so it was just my mother and me. From there we moved to a place called Cottage Grove, which was at King and Piikoi Streets.

I was in the choir at St. Andrew's Cathedral with several boys who still live here, including Dr. Andrew Morgan and his brother Brewster. Dean [William] Ault was the Canon and Bishop [S. H.] Littell was the Bishop. There were a couple of things about the choir days that were interesting. I was a soprano before my voice cracked, and I was singing solo at church one day--I will never forget it. I was singing Largo, and right in the middle of this song I had no voice. Brewster Morgan, who also was a soprano, and sitting next to me, sensed what was wrong and stood up and carried on with the rest of the song. No one in the congregation knew what was behind Brewster's taking over.

My mother asked me afterwards, "When did you and Brewster practice that?" I said, "It was not practiced. I

lost my voice." We had a choir master, Robert Rutland Bode, who had a wooden leg and played the organ. He was angry as the devil because he thought we had done this on purpose.

We used to practice in a building on Pauahi Street, on the second floor. Dr. Morgan's mother paid us fifty cents a month to sing in the choir, so that was our incentive. We had the "black-hand gang" in the choir, and we would go under the cathedral and smoke cigarettes. We all gave each other nicknames. The Bishop and others knew us by our different names--mine was Archibald. I missed church one Sunday because I was sick. A few days later I was coming home from school and saw the Bishop coming down the driveway. He said, "Oh, Archibald, I was just at that house and asked the lady after you. She said that she knew no one by the name of Archibald." Well, our secret came out. I blew the whistle on the whole gang and the "black-hand gang" was disbanded. But it was great fun while it lasted.

I had two wonderful school teachers who affected positively my career. One was my fifth grade teacher at Lincoln School, Mrs. Bachelor. She took an interest in me. I would spend Saturdays with Mr. and Mrs. Bachelor and she would work with me all the time to improve my grades. The other was in my junior year in high school, Mrs. Dorothy Harding-Jones. They were outstanding women, and I owe a lot to those two women to where I am today.

I did well at McKinley. I was a good scholar and went to the top insofar as ROTC was concerned. I have no regrets about going to sea. It was in my blood. I enjoyed it. I had worked on the waterfront in the afternoons, on weekends and during summer vacations. I had worked on the ships from the time I was twelve--probably before that, but I started getting paid when I was twelve. When I was fifteen I had a license to be captain of a harbor tug. I would probably still be at sea today except on January 1, 1939, my ship arrived in Honolulu, and by happenstance, the port captain saw me before he saw anyone else and said, "The stevedore superintendent got hurt and we need you to come ashore and stevedore our agency vessels." I did not mind because I thought it was for only two weeks. Well, it turned out to be longer than that.

You asked about December 7, 1941. I was working for Inter-Island Steam Navigation Company, Ltd. My title was terminal superintendent. I lived on a short street on Punchbowl called Maunaihi Place. I went to the front door to pick up the Sunday paper and it wasn't there, which was unusual. So I started calling the Advertiser but the line was busy. Because I was expecting a Lykes Brothers ship in that morning I called Aloha Tower and asked, "Has the Prussia showed up?" The lookout said, "No." I then asked, "What's all that shooting?" (For six months before

the war the Army's anti-aircraft units at Sand Island had been practicing but never on weekends.) He replied, "I don't know. That's at Pearl Harbor. I guess some admiral's leaving."

I subconsciously listened and when the "salute" exceeded twenty-one, I knew that even the President of the United States didn't have more than a twenty-one salute. I turned the radio on and heard the famous message--"This is the real McCoy" and so forth. So I raced to the waterfront because we had ships coming in. The arriving cable ship Dickinson was fired on. The arriving Dutch vessel Bosch Von Teim was fired on. I stayed on the waterfront from Sunday morning until Wednesday night because we had a lot of false alarms concerning enemy attacks.

We had soldiers shooting at each other. An Army enlisted man raced up to my office at midnight the first night saying, "There's millions of them, millions of them." I asked, "What do you mean?" "There's millions of planes up there." I looked and, of course, there were many stars behind passing clouds. There were a lot of humorous things and some non-humorous. Shrapnel fell like rain on the tin roofs, making a terrific racket. I got through that day and then realized that I should be at sea where my talents could be used.

My former boss at Inter-Island Steam had gone back into the Navy. He was a retired naval officer. He asked me if I would like to be in the Navy. At the same time the Army offered me a captain's commission. Now you would think with my desire to be a West Pointer I would have opted for the Army, but I guess my seafaring blood was too strong. So I went into the Navy as an ensign rather than in the Army as a captain.

S: And you were only twenty-one when the war broke out.

P: That is right. I became an ensign in the Navy and served during World War II. I owe the Navy a lot for my education. My naval service took the place of a college education. You mentioned pidgin English earlier. My brother naval officers could not understand me because I'd say, "Hey, bruddah, where us going today? Us going downtown? How us going? Walk feet? No more wind in the tire." And they'd ask, "What are you talking about?" So I learned to write, read and speak properly.

On one ship all the other officers were from the deep South--Birmingham, Raleigh, Camilla, Georgia. I would say to them, "You guys are a bunch of phonies. I'm from further south than any of you--look at the chart." I came away apparently with some kind of an accent--people ask me if I am from New England. I do not believe that there is a direct

enough line between my paternal grandmother to give me that accent. It must be just from a combination of that exposure to those southern officers, using pidgin English, and, of course, from my parents who spoke English as people in England speak it with a broad "a." Even today I use a broad "a." I guess with all of that put together I have this unusual accent.

My last billet, as we say in the Navy, when World War II ended, was at CINCPAC, on Admiral Nimitz' staff. I still have a note in my memorabilia from Admiral Nimitz asking if I would stay in the Navy. I thanked him profoundly but said to him that I was sure that as soon as "the dust had settled" and budgetary restraints came into play, reservists, and more particularly reservists without a college education, would be asked to leave the Navy, so I ought to go back to my job--my company wanted me back. I did return to Inter-Island Steam and resumed my old position as terminal superintendent. I ended up as the last head of the company.

In 1950, at the insistence of the Department of Justice we divided into three companies: Hawaiian Airlines, which was a department of our company--Mr. Stanley Kennedy, Sr., became the head of that company; Mr. Merwin B. Carson took Inter-Island Resorts--the hotels, travel agency and the like; and I became the head of the maritime part of the company, which we renamed Overseas Terminal, Limited. In 1954 we merged that company into Oahu Railway and Land Company.

Mr. Walter F. Dillingham was the head of O.R. & L. I stayed around until the merger was completed and things had settled down. I then decided that it was time for me to make a change because I was no longer the boss. As Mr. Walter Dillingham very graciously put it to me--and I mean that most sincerely--"Mr. Pfeiffer, you know a company can only have one boss and I've been boss for so long it would be pretty hard for me to step aside." Well, there was no reason for him to step aside--we merged into Oahu Railway and Land Company. He was a fine man. He and his sons, Lowell and Ben, all tried to make me happy, but it is hard once you have been the boss not to be the boss. We also had different operating philosophies. So I decided to leave.

At the same time Mr. Stephen Bechtel, Sr., wanted to establish me in business here, and take over the steamship agency accounts that we had. But I thought that a clean break was necessary. So my wife and I said, "Let's move to California."

A friend of mine who is an attorney in Los Angeles owned six granite companies and asked if I would be interested in running them. I said, "Sure."

We moved to Los Angeles and I ran these companies. The companies then did very well. I made a lot of money for my friend, expanding the business remarkably in the eleven and a half months I was there. I did not know one thing about contracting--didn't even know how to read a blueprint. I was bidding on these multimillion dollar jobs, so I made myself learn quickly. Especially when we won the first job so easily and I realized that I had forgotten some of the granite facing and lost about two million dollars on the job. So I thought I had better learn how to read blueprints. I found the job very dull because in the eleven and a half months I was there I only had one phone call at night and that was from a drunken sea captain friend of mine. I knew that when I went home at night everything would be exactly the same the next morning, unlike the maritime industry.

On January 12, 1956, while Matson Navigation Company and Encinal Terminals, Ltd., the maritime unit of then California Packing Corporation, later Del Monte, were planning to form a company to be called Matcinal Corporation, I was approached to see if I would put it together and run it. I said, "You bet." The two companies asked, "When can you start?" I replied, "I will be in San Francisco tomorrow morning at eight o'clock." And I was. I drove up from L. A. and started to work the next morning. I had no office, people--not even a paper clip. Each company gave me a check for \$250,000. I started the company.

S: The timing was just right. You were ready for it.

P: Oh, you bet I was. But, we had such awesome cargo gathering power in that new company that thirteen of our stevedoring competitors decided to take us to court and charge us with monopolizing the business. We were in court for two years and then ordered to dissolve the company. I then was offered a job by Matson; I also was offered a job by Encinal Terminals. I was trying to decide between the two when completely out of the blue the owner of Pacific Far East Line, Inc., called and said, "Our lawyer worked on the case against your company and he was so impressed with you that he thinks I ought to hire you. Will you come over and talk to me." So I went over and talked to him and he offered me the job as head of operations and said, "Name your salary and conditions." I went to work for him.

In November of 1959 he said, "On the first of the year I want you to become executive vice president of PFEL so hire yourself a replacement," which I did. He died on December 17. PFEL was not the same without him. He was a tremendous man, Thomas E. Cuffe. I learned more about steamshipping in the twenty months that I worked for him than I have during the rest of my career. But he was a very difficult man to work for. I literally worked eighteen hours a day, seven days a week, for the twenty months I was there.

I have often thought, "Had he not died, I would have." (laughs) But it was a lot of fun.

Soon thereafter I was on the waterfront seeing a friend off on a Matson passenger ship. The president of Matson was standing next to me and said, "You know, with Cuffe dead why don't you come back to Matson?" I said, "Okay, I will be glad to." Matson then asked me to head up their stevedoring company, Matson Terminals, Inc. I joined them on April 15, 1960, and ran that company until 1970, making it the largest stevedoring company on the West Coast, maybe in the United States, maybe in the world.

In 1966 Matson had started a steamship service to the Far East. The head of Matson asked me to take that on as collateral duty...it certainly was collateral duty. We introduced containerization to Korea, Japan, Taiwan, Hong Kong and the Philippines. We designed the facilities, built ships and built equipment...very successfully.

In 1970 the then head of A&B and Matson resigned. He was and still is a close friend of mine. I was on the verge of leaving when the directors offered me the job as the senior vice president of Matson. I agreed to stay on, and a year later they promoted me to executive vice president. Two years later I was promoted to president. I am still the chairman and chief executive officer of Matson. I have a deep-seated love for the company, and as I've told the employees of Matson, "If you scratch my surface deep enough, you will find that I still have a love for Matson Terminals, Inc." I brought the old house flag of Inter-Island Steam with me and that is the house flag that Matson Terminals flies.

In June of 1978, I had come to Honolulu for the board meeting, the A&B board meeting, to report on Matson. The then chairman of the board of A&B on the night before the June board meeting asked, "How about coming out and running A&B?" I said, "Okay, but I am happy at Matson." "Well," he said, "we would like you to accept." We had the board meeting the next day. After the meeting he and I were driven to the airport. He was going to his island destination. I was returning to San Francisco. He did not say anything about the job offer, so I asked, "What happened at the board meeting?" "Oh," he said, "we are still talking about it. We are worried about what would happen to Matson if you moved here." I replied, "That really would be my problem, not yours."

This conversation took place on Thursday. The following Monday he called me and said, "Guess what? We have hired Gil Cox as chairman and chief executive officer." Well, Gil is an old friend of mine, but the chain of events was so bizarre

that I almost laughed because I thought he was kidding me. But I didn't laugh, fortunately. Then I knew he was serious and I said, "I cannot put what you are telling me together with what you told me at dinner the other night." "Well, we are worried about Matson. Matson's so important to A&B that you have to stay at Matson."

In October of 1979, I then was on the board of A&B, I came to Honolulu for a board meeting. The day before the board meeting Mr. Jack Waterhouse asked me to have lunch with him. I was back in my office when about twenty past one I had a call from Mr. Bellinger at First Hawaiian Bank. He said, "I have a few friends who want to say hello." I said, "Hell, I'm busy, Johnny. I am getting ready for the board meeting." "Aw, come over for a few minutes." So I went over.

The whole board except for Gil Cox was there. "We want you to come run A&B." I said, "I have heard this story before." Well, I did agree but I said, "I will on one condition: I will be the boss because I cannot run it anyway else." I believe that there was doubt on the part of some of the directors that this "waterfront rat" could run a complex company like A&B. Two of them have come to me since and said, "We sure made a mistake in not bringing you out sooner." But so be it. We have had a successful period here at A&B. A&B is a great company. We have had some interesting times with Mr. [Harry] Weinberg. Every other year he tried to unseat me, culminating in a proxy contest last year. Fortunately, we prevailed and prevailed handsomely. I believe the stockholders gave us their message, that they are satisfied with the way things are going.

S: Do you think it convinced Mr. Weinberg?

P: No, no. Many people say to me, "Well, now that Mr. Weinberg's not on your board any more, things must be quiet." No, things are not quiet. Mr. Weinberg still owns twenty-five percent of A&B. He should be pleased with what the company has done. His investment in A&B cost him \$60 million dollars; it is worth \$280 million today. He receives about \$18,000 a day in dividends, but I believe that he honestly believes that if he were running it, he could do better. I am not prepared to give him that opportunity, because I don't think he can.

I am optimistic about sugar. We have a terrible trial ahead of us both as an industry and as a company. I have been chairman of C&H and of HSPA, and I have spoken publicly for the industry on several occasions. I recall how complacent we all were after the sugar spike year of 1980, when we made lots of money. In 1981 we all let our costs get terribly out of line and lost \$81 million as an industry.

I remember being in San Francisco the last week in February of 1982, for my own board meeting which was on a Thursday. The next morning I went to a C&H executive committee meeting and learned what we could expect in the way of revenues from sugar. It was so alarming that I cut my trip short and came back and closed both plantations. I went to our plantations and talked to the employees--all of them--from the lowest level up and said, "We are shutting down for two weeks. All of you know your respective jobs a lot better than anyone else. It is up to you to do a better job. Find ways to cut costs. Whether we close down again, depends on you. I am quite prepared to shut down for good."

They did a marvelous job. In 1982 our company reduced its costs by \$18 million. In 1983, \$9 million. We are constantly looking for further cost reductions. Our plantation on Maui is a low-cost producer. Kauai is marginal mainly because of its size. But we are hanging in there and, hopefully, sugar will be viable.

Our crown jewel, of course, is Matson. We do have other businesses, small ones. We have a small trucking company on Maui and on Kauai. We have a building materials company on Maui and Hawaii. Our third largest business, of course, is property. We divide that into Wailea, a 1,500-acre resort development on the island of Maui. Matson Navigation Company bought that from the Baldwins in 1959 for \$550,000.

I remember looking at it--at that time the plan was to build a hotel like the Royal Hawaiian and anchor our passenger ships offshore. But I looked at this terrible piece of land--kiawe bush and everything--and said, "For heavens' sake, what are we going to do with it?" That 1,500 acres is worth many millions of dollars now.

The other part of our properties is in a subsidiary called A&B Properties, Inc. That subsidiary has all of our property except Wailea, predominantly on Maui and Kauai. Very little on this island; very little on Hawaii; some in California. We own, develop and manage our property. We have residential, industrial, commercial and it already has passed up sugar in importance, but it is going to be much more profitable. It never will reach the scale of Matson.

We also have investments and we are a cash rich corporation. We have people that invest a lot of money for us every night. We should acquire something--it is easy to make acquisitions; it is not so easy to make money from them as some of the Island companies have found. And, we're not going to be panicked into that. If something comes along that makes sense, fine--we'll buy it; otherwise, we won't.

I am getting too much into business for you, aren't I?

S: No, I wanted that. The business is an essential part of your story.

P: Well, let me just divert to something that I find of great interest. As you know, in the Hawaii business community of yesteryear, while I was growing up here, the Big Five really controlled Hawaii...

END OF TAPE 1/SIDE 1

P: ...if they were at a meeting of Inter-Island Steam Navigation Co., Ltd., they might talk about American Factors, Ltd., and if they were at Amfac, they might talk about Inter-Island Steam. Of course, it was great insofar as raising corporate contributions was concerned because someone like Mr. H. A. Walker, Sr., could call Mr. P. K. McLean, Mr. G. W. Fisher, Mr. John Waterhouse, Mr. John Russell and say, "We need \$100,000." Boom. Got the money easily and immediately.

Amfac, Davies, Castle and Cooke, and A&B, the latter to a small extent, had merchandising departments, and if you wanted a toothbrush or a case of canned soup you went through one of them. What changed that procedure was World War II, because the military governor insisted that the ultimate consumer request a priority to import something. Mr. Walker's father was the head of that branch of the military government and Stanley Kennedy, Sr. was his assistant. Because these small store owners learned that they could order what they wanted directly from the mainland without going through one of the Big Five, they thought, after the war was over, why go back and pay the middleman?

I believe that change started the weakening of the Big Five's control. Another thing that went in that direction was that the Big Five--and it is easy today to second guess and criticize, perhaps unfairly--but I believe that they were not forward looking enough in understanding the unions. I blame the employers on the West Coast for that big strike in 1934, which started because the walking bosses wanted five cents an hour more. They were non-unionized, and ended up unionized. We lost an important layer of management. Here the Big Five thought they were all-powerful, and that they could crush the ILWU and the Teamsters. I believe that if we had been more forward looking, we could have prevented some of the terrible things that happened afterwards.

The third thing was political--the Republicans, and I was one and still am one. I was president of my precinct and a member of the Territorial central committee. After the war the Republicans should have thought, "We have many bright,

young Orientals coming along. Let us bring them into the Party." The Republicans made up a haole organization, and they were going to stay that way. It was a great shock to them in 1948, when they lost control. If you put those three factors together, that is why the Big Five no longer are as powerful as they were.

But good or bad, there are advantages and disadvantages to that change. Small businesses have come out on top because the Big Five lost control. People from lower income families have become more important in the community. Bobby Pfeiffer would never have been the chief executive officer of A&B in the early fifties or the late forties. I had no important family background and my family did not have the proper standing in society.

There are some disadvantages though, and one is that there is no central leadership in the business community today. That is bad. The Legislature needs business input from a centralized power source. In the old days if Henry Walker's father or John Russell or Alex Budge of Castle & Cooke had appeared before the Legislature, it would have known that that person was speaking for the business community.

Also, I believe, that the paternalistic attitude of the Big Five wasn't all that bad. They took care of their employees. Sure, we look back and think, "How did the workers live in those houses?" But were those houses that bad in those days? I don't think so. The employers took care of the employees medically, fed them and clothed them. It still is expected by some of the employees on the plantations--a feeling that the owners should be paternalistic, but they, the employees, don't want to be subjected to that.

Hawaii is great today because of the Big Five. Somebody had to invest money. Somebody had to have the foresight. Somebody had to have the desire. Yes, the Big Five became too powerful, and the Big Five became wealthy, but it was the start of Hawaii that is important. Whether that style would work today, I do not know.

We have a serious situation in Hawaii today with a lack of business leadership and with the demise of the larger companies. Where are they? Brewer is owned in Philadelphia; Davies is owned in Hong Kong; Amfac and Castle & Cooke are headquartered in San Francisco; Dillingham, for all intents and purposes no longer exists. Von Hamm Young was a big island company; they are gone. It is sad.

S: Another example is McInerny's.

P: Yes, I remember the twins, Will and Jim. One McInerny had the clothing store at Merchant and Fort; the other had the shoe store at Fort and King. Two dapper gentlemen. Great fellows. Andrade also was a good store. Liberty House was, and fortunately, still is. But Fort Street was a vital area--you could go on and on. I liked Hawaii the way it was, I must admit. I had a wonderful childhood. I owe everything I have to Hawaii, but I believe that Hawaii could be better. It would call for a drastic change in philosophy between the government on one hand and business on the other.

I believe that because business vacated its place of responsibility the unions filled that void. The government, I believe, still is dominated by the unions, and that is not good for the unions or for anyone else. I also believe, and I say this because I am a local boy, and I certainly count many, many persons of Japanese ancestry as friends, that filling most of the government jobs with Japanese is going to hurt the Japanese ultimately. There will be a reaction. Maybe the Filipino bloc will say, "The heck with that. We are going to show our muscle." Or maybe the Chinese bloc will do it, and that won't be good. It wasn't right for the haoles to have all of the good jobs before. It is not right for most of the government jobs to be filled by Japanese. The jobs should be allocated among all races. I believe the failure to do so, should be a major concern. There are too many government jobs filled by patronage rather than by recognizing the qualifications of the individual.

S: Don't you think that that has peaked at this point? You see more and more young gentlemen--women and gentlemen--from other ethnic groups making a name for themselves. I'm thinking, of course, of the young Hanneman boy and several Filipinos who are coming along and I think, looking at the younger ones, eventually they're going to make a dent in this Japanese control.

P: Yes, that is right, but if you look at the key jobs in the state government, including the DOE, they are still filled overwhelmingly in favor of the Japanese. I am definitely not against the Japanese. Fortunately I grew up at a time when there was no prejudice. I remember giving the valedictorian speech at McKinley when I graduated, my speech was on prejudice.

But I did grow up in that wonderful era. I remember the first time I encountered prejudice against the blacks was in the Navy. This fellow officer of mine who was from the South hit a black enlisted man and I asked, "What did you do that for?" "Oh, he sassed me and no black so-and-so is going to talk to me that way." Heck, I didn't know what he was

talking about. Then the second instance again was in the Navy. We had a doctor aboard and he stormed out of the ward room one day saying, "If I were not a Jew, you wouldn't say that." When he left I turned to the other fellow, "What's he talking about?" "You know, they're sensitive." "Who's they?" I knew who the blacks were in the school because we had Nolle Smith and his sisters at Roosevelt. Haole boys would date the Smith girls and Nolle would date the haole girls. We didn't think anything of it. But I honestly can't tell you if we had any Jews in my school or not. To me I didn't know the difference. Hawaii was great that way. It was really wonderful. I have often thought that if we could take the Hawaii of those days and superimpose its racial philosophy upon the world, we would be much better off.

S: People that I've talked to who grew up here during the twenties and thirties have said that there never was a gesture or a word to indicate any animosity. It was a totally different environment.

P: I am worried about what I have said because I think maybe I haven't given you what you wanted.

S: Oh no, but what I would like to do now is to--for one thing you mentioned that you were in the Navy during the war years--did you serve here in the Pacific?

P: Mostly in the Pacific. I did one stint in the Atlantic, but because of my familiarity with the Pacific the Navy deemed it appropriate that I return to the Pacific...I did not object.

S: I guess not. Also, I had read somewhere that your wife was a Navy officer, too, and I want you to tell me about that.

P: My wife was a Naval officer. She was a line officer in the WAVE's, and we met in San Francisco. I was on my way East and I stopped over in San Francisco. My roommate there was a Marine captain.

S: And what year was this?

P: January of 1945. My roommate's name was John Brown, believe it or not. He was killed at Iwo Jima. John and I both were in San Francisco on leave. His old girlfriend, also a WAVE, from school days was in San Francisco--Phyllis Dunn was her name.

He said, "Say, Phyllis and I are going to dinner tonight. Would you like to have dinner with us and her roommate Mary?" I said, "John, I have never gone on a blind date and I don't intend to." Well, unbeknownst to me,

Phyllis was having the same conversation with my wife-to-be and getting the same reaction, but John and Phyllis pressed hard enough so we agreed to a blind date. That was the start of a great romance. On my way back to the Pacific a few weeks later, I had a couple of days in San Francisco waiting for a ship. I went to the Federal Building where the Navy was and called Mary. We had dinner that night.

Upon my return to Pearl Harbor I called the port director, an old friend of mine, Captain Martin R. Derx. I had lunch with him--just shooting the breeze. "Well, how are all your people?" "Well, they're all right, but I could use some talent." "Well, you know, Billy Wills (a Commodore in San Francisco) has a great WAVE officer. I don't remember her name, but he just raved about her. If you are interested, I will find out what her name is. Great operations officer." Well, she wasn't in operations at that time--she was in communications. In a few days I called Derx and said, "I found out from Billy what the WAVE officer's name is. If you need an operations officer, she's it." So he requisitioned her and had her transferred to Pearl Harbor. Her immediate superior was an old friend of mine, Frank A. Palmer. I was at CINCPAC and I would go down to see Palmer almost every day, and he never knew what was going on. I would say, "Okay, Frank, let's go to lunch. If you want to bring that assistant of yours, whatever her name is, that's all right, bring her along." Well, when we announced our engagement, they all said, "Why you dirty so-and-so, you really set us up." (laughter)

S: And you didn't waste any time either because weren't you married in 1945?

P: November 29, 1945. I got out right away. I had enough points as they called them to get out and I got out on Armistice Day, 1945. Mary stayed in until June 30, 1946. She is a smart gal. When I was busy getting things reorganized at Inter-Island Steam, I never worried when she handled a phone call of mine. She would know exactly how to handle a telegram from a ship. And she has done a wonderful job in raising our four children. She has been a great wife.

S: She sounds like quite a lady.

P: She is a wonderful person. I wanted five boys. About two years after we were married our first child showed up--a girl. Then we waited six years--we were almost panicky--and another girl showed up. Waited two years and a boy showed up and I said, "A boy, that's great. Now we have the formula. Let's go." A fourth child two years later was a girl. So we both agreed that to have five boys we'd have to have fifteen girls, on that basis, so we said, "It's time to stop."

Shortly after that conversation we were at a cocktail party and someone asked, "Hey, Pfeiffer, when are you going to start the rest of those boys?" I could see that my wife was listening to this chatter so I said, "Oh, any day now." And this little voice came out of the woodwork, "With whom?" (laughter) So I knew that we were staying with three girls and one boy.

She is a wonderful person, and a great supporter of mine.

S: Wonderful! You must have started school over in Hilo. Do you want to tell me about that?

P: Yes, I went to Hilo Boarding School at Haili Heights--it was great. We had a koa forest next to us and any work we did in the woodshop we did with koa. When I look back, I cringe when I think of how wasteful we were. We would make something, didn't like it, throw it out.

We had a principal--I can't remember his name--but he was a tough guy. If you did something wrong, you had a choice of being locked in a closet with a skeleton or taking a beating. Well, a skeleton didn't bother me so I'd always opt for the skeleton. I would scream, "Don't put me in the closet, don't put me in the closet." So I'd go in the closet--I'd pat the skeleton and say, "Hi, George," and we'd have a good conversation. When it was time to come out, I would cry, "Oh, don't ever put me in there again."

S: Can you imagine what would happen in these days if anybody ever threatened a child with a skeleton in a closet? (laughter)

P: Everybody else was getting beaten up and I'd tell them, "Take the closet." Then when we moved to Reed's Bay I went to an elementary school called Waikē Kai. After that we moved to Honolulu and I attended Lincoln School. So I am a creature of the public school system. When I went to McKinley we had outstanding teachers. They were mostly from the mainland and they were great, great teachers. Dedicated.

S: McKinley seems to have been an outstanding high school. It's produced a tremendous amount of leaders.

P: Well, Senator Hiram Fong attended McKinley; so did Wilfred Tsukiyama, the former Chief Justice of the Supreme Court; Dan Inouye; George Ariyoshi; Chinn Ho.

As a matter of fact, Hiram Fong, Wilfred Tsukiyama, Reynolds Burkland and I went to McKinley and spoke to the graduating class of 1953. Here I was in a cord suit and

white shoes--a real haole--talking to them. I could see that they did not believe I had gone to McKinley, so I lapsed into pidgin English--they then realized that I had. It was a fine school. I keep a picture of McKinley in my desk and look at it every once in a while. Love that school.

You know it used to be almost a stigma to say you went to McKinley. If you were a haole, you should go to Punahou. If your parents couldn't afford it, the Punahou kids would accept you if you went to Roosevelt. To go to McKinley was just unheard of. Didn't bother me. Doesn't bother me today.

S: Did your children go to public schools here?

P: Well, our oldest child was the only child of school age. She went to Punahou through the second grade, and then we moved to California. Our second child went to a private school for two years, but we found that the public school system was so superior in California that she left the private school. All four of them went through high school in the public school system and all of them turned out very well and were accepted anywhere they wanted. My oldest girl went to Pembroke when it was the girl's college of Brown University; then it merged so she received her master's at Brown. My son, who is an attorney, went to Stanford. I would have to qualify my observations by saying there may be some sections of California that do not offer a high degree of quality education, but generally it's a fine system, a great system.

Our four children are all adults. They live in the San Francisco Bay area. We have five grandchildren, with another on the way and we are a close family. A very loving family. Very supportive. The children are always getting together with one another. Do things for one another. My youngest daughter is in London for four weeks. She is taking an MBA course and is on her summer break. She has four or five cats and her number two sister is taking care of the cats, which is beyond the call of duty.

S: Well, you've extended your retirement now for a couple of years. When you retire, will you stay here in Hawaii?

P: Yes, this is my home. We maintain a place in Orinda, California, which is the family headquarters. Our number two daughter and her husband live there. It is a good setup for them; it is good for Mary and me. We don't have to pack anything. I spend a week a month with Matson so we are there regularly. I fly, as you have probably learned. Flying is my therapy.

S: What about sailing?

P: No. I sailed as a young man, but--I was too busy during the war and I was too busy after the war. And, in 1965 I took up flying and I was completely captivated by it. I spend as much time as I can in the air.

S: What else for relaxation? Not that you have much time. Are you a golfer too?

P: No.

S: That's unusual here in Hawaii.

P: It's most unusual. But, if I can get two hours in the air, it is like a two-week vacation. I flew myself to Maui yesterday; tomorrow I will fly myself to Kauai for a meeting. I fly myself to New York from Oakland in a jet.

S: Great. Wonderful.

P: There's an interesting family story concerning my flying. In 1965, when I had not been flying long, I was flying at Palm Springs and cracked up a plane. Broke my jaw; broke my wrist; totaled the plane. I felt pretty badly about it. So my wife said to the four children, "When Daddy gets home tomorrow, don't talk about the plane accident because he feels very badly about it."

The next night at dinner--all the children were on pins and needles. Finally one of them said, "Say, Dad, why'd you crack up the plane?" (laughter) That took care of dinner.

S: Children have a knack for it, don't they.

P: They sure do. Another time when my youngest child was about four--and I was away most of the time when I was running the Far East Division for Matson, two or three months at a time--I kissed her goodnight and said, "I'll see you tomorrow." She asked, "Why?" I asked, "What do you mean 'Why'?" She said, "Aren't you going anywhere?" (laughter)

When our oldest daughter was about five--she and Mary used to come to the pier on Sunday and bring me a thermos of milk and a sandwich. They would sit and chat with me while I was having my lunch. This one Sunday I looked in my drawer and found a pen that had a ship in it which you could move up and down. I gave it to Betsy, and on the way home she said, "You know, Daddy's a nice man. The next time he comes to our house I'm going to give him a present." You see I left before they were up and I got home after they went to bed.

In fact, in Orinda many of the neighbors thought my wife was living in sin because they never saw her husband (me) and yet every couple of years another child would show up.

S: I did want to ask you too. You talked about your progression in the business world and moving from one position to another and everything sounds very positive--just moving right along. Did you ever have any real setbacks?

P: No, I don't think so. I have always gone for the top. The first time I did that was when I was a junior police officer. I became the captain of the JPO's, and then I became president of all the junior police officers on Oahu. That was the first time I remember setting a goal. The next goal I set was to be the colonel of the cadet brigade at McKinley.

S: You did that.

P: I became an officer in my junior year, which was most unusual, and then I became the colonel. Then I wanted the West Point appointment and I got that. I set goals. I knew I wanted to be president of Matson Terminals, Inc., and I knew I wanted to be president of Matson Navigation Company. I did not seek the presidency of Alexander & Baldwin, Inc. That latter job seemed okay, but it was something great to be president of Matson.

S: Well, you're proud of everything, I know, but Matson's still you're baby, isn't it? I know you wanted to achieve a certain balance--I understand that--but Matson's the...

P: You bet. I have had too many years in the maritime industry. On June 7, three days from now, I will have been in this industry forty-nine years--a long time.

S: Next year will be a real big one--fifty.

P: As I said, I have always been an optimist, I've always been positive in my thoughts and plans.

S: And a hard working person.

P: You have to work hard to make up for your dumbness. I like people, I love to talk to my employees. I wish I had more time to talk to them. I like working with young people.

S: How many employees do you have all together?

P: About 4,000. I check with Matson's headquarters at 4:30 each morning to see what the fleet is doing. I talk to my captains at sea. I enjoy that. Last night I talked to

the captain of the Maui as it was leaving, and to the captain of the Lurline as it was coming in. They appreciate my interest.

S: It's important.

P: Well, they know that I have been at sea, and that I appreciate and understand their problems.

END OF TAPE 1/SIDE 2

SUBJECT INDEX

- 1 Family genealogy
 Parents' marriage in Fiji
- 2 Adoption by grandmother and confusing relationship
 between the McDonalds and the Pfeiffers
 Move to Hilo, Hawaii, in 1921
- 3 Move to Honolulu in 1929
 Anecdote: mascot of Central Fire Station
 Attendance at Lincoln and Roosevelt High School
- 4 Anecdote: transfer to McKinley High School in
 order to join ROTC
 Description of private and public schools
 Appointment to West Point and decision not to
 accept
- 4-5 Anecdotes: friend Brewster Morgan's assistance
 during a solo performance and the "black-hand
 gang"
- 5 Influence of teachers Mrs. Bachelor and
 Mrs. Harding-Jones
 Early work on ships
- 5-6 Recollections of December 7, 1941
- 6 Enlistment as ensign in the Navy
- 6-7 Influence of naval experiences
- 7 Return to Inter-Island Steam
 Division of Inter-Island Steam into three companies
 Position as head of Overseas Terminal, Limited
 Merger into Oahu Railway and Land Company
 Move to California to run granite companies
- 8 Move to San Francisco to form Matcinal Corporation
 Move to Pacific Far East Lines, Inc.
- 9 Move to Matson Terminals, Inc.
- 10 Becomes president of Alexander & Baldwin, Inc.
 Views on Mr. Harry Weinberg's policies
- 10-11 Views on sugar industry
- 11 Description of other A&B holdings
- 12-13 Discussion of the Big Five and factors contributing
 to the weakening of their power

- 13 Present lack of central leadership in business
- 14 Influence of unions
Disproportionate number of American-Japanese in government jobs
- 14-15 Anecdotes: first encounters with prejudice while in the Navy
- 15-16 Anecdotes: introduction to wife Mary on blind date and her transfer to Pearl Harbor
- 16 Discussion of wife's role
- 17 Anecdote: a family of three girls and one boy
Early education at Hilo Boarding School
Anecdote: choices of punishment at school
- 17-18 Views on public school system in Hawaii and California
- 18 Four children and five grandchildren now in the San Francisco Bay area
Family life between Hawaii and California
- 19 Hobby: flying
Anecdote: children's curiosity about plane accident
Anecdotes: children's comments regarding his constant travelling
- 20 Philosophy of optimism and goal setting
- 20-21 Close contact with Matson sea captains

THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

The Watumull Foundation Oral History Project began in June of 1971. During the following seventeen months eighty-eight people were taped. These tapes were transcribed but had not been put in final form when the project was suspended at the end of 1972.

In 1979 the project was reactivated and the long process of proofing, final typing and binding began. On the fortieth anniversary of the Watumull Foundation in 1982 the completed histories were delivered to the three repositories.

As the value of these interviews was realized, it was decided to add to the collection. In November of 1985 Alice Sinesky was engaged to interview and edit thirty-three histories that have been recorded to mark the forty-fifth anniversary of the Foundation.

The subjects for the interviews are chosen from all walks of life and are people who are part of and have contributed to the history of Hawaii.

The final transcripts, on acid-free Permalife bond paper and individually Velo-bound, are deposited and are available to scholars and historians at the Hawaii State Archives, the Hamilton Library at the University of Hawaii and the Cooke Library at Punahou School. The tapes are sealed and are not available.

August 1987